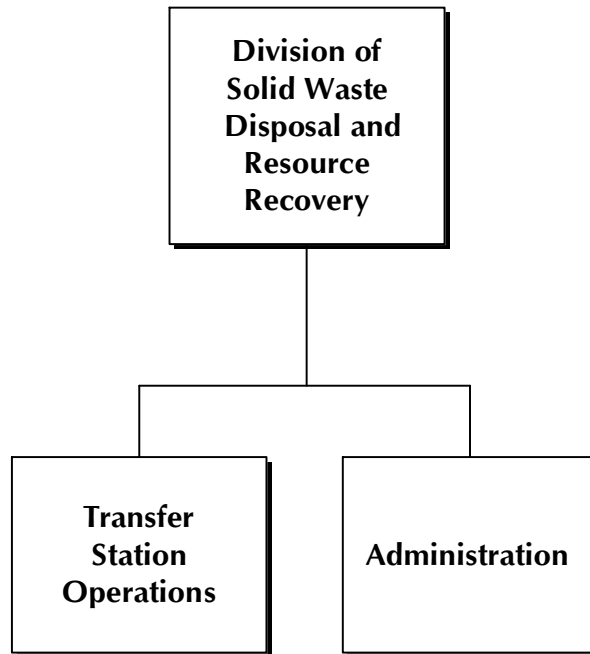


Fund 110 Refuse Disposal



Mission

To protect Fairfax County citizens against disease, pollution and other contamination associated with the improper disposal of refuse, through safe and sanitary transportation of solid waste from the I-66 Transfer Station to the I-95 Sanitary Landfill and the Energy/Resource Recovery Facility (E/RRF). The agency also transports debris generated through the Yard Waste Program to disposal facilities in Prince William and Loudoun Counties. In addition, this agency operates the Household Hazardous Waste program and the Citizen's Disposal Facilities, including all associated technical and administrative functions.

Focus

Fund 110, Refuse Disposal, has the primary responsibility for coordinating the disposal of solid waste generated within Fairfax County by channeling the collected refuse to the E/RRF. Refuse that cannot be burned in the E/RRF is directed to a landfill or disposed of through a contractor. Yard debris is transported to Prince William County or a private compost facility. Other operations coordinated within this fund are the Citizen's Disposal Facilities (CDF), the Household Hazardous Waste (HHW) program, the Ordinance Enforcement program, the White Goods program and the Battery program. The Administrative Cost Center performs the tasks associated with the overall administrative, technical and management functions for those funds that comprise the Division of Solid Waste Disposal and Resource Recovery. These funds are: 110, Refuse Disposal; 112, E/RRF; and 114, I-95 Refuse Disposal.

The County's solid waste disposal program has come under significant financial pressure due to a number of factors, most notably the adverse 1994 United States Supreme Court decision affecting solid waste flow control which allows waste to be hauled out of the County for disposal, as well as the development of several large landfills within Virginia and in neighboring states which are less expensive disposal options than those offered by the County. Under the current industry environment, the County has implemented a competitive pricing system. The pricing has proved to be sufficient to cover a majority of disposal costs, however public interest and non-revenue generating programs must be funded through a General Fund transfer to subsidize the fund. The FY 2006 General Fund transfer remains unchanged at \$2.5 million. In FY 2006, the system disposal charge is set at \$48 per ton, as in FY 2005. In order to generate sufficient revenue to cover operational requirements in FY 2006, a contractual disposal rate for FY 2006 will be negotiated with private waste haulers but is anticipated to be \$44.95 per ton, an increase of \$2.50 over the \$42.45 per ton total in FY 2005. Revenue increases are therefore projected based on this disposal charge increase. The total

Fund 110

Refuse Disposal

FY 2006 revenue for the fund is projected to be \$58,110,627, an increase of \$8,109,599 or 16.22 percent over the FY 2005 Adopted Budget Plan total of \$50,001,028. The fee increase will offset the increase in the tipping fees charged Fund 110 for disposing of waste at the E/RRF from \$32 to \$33 per ton.

Agency accomplishments, new initiatives and performance measures are displayed at a program-wide level. Please refer to the Solid Waste Management Program Overview in Volume 2 of the FY 2006 Advertised Budget Plan for those items.

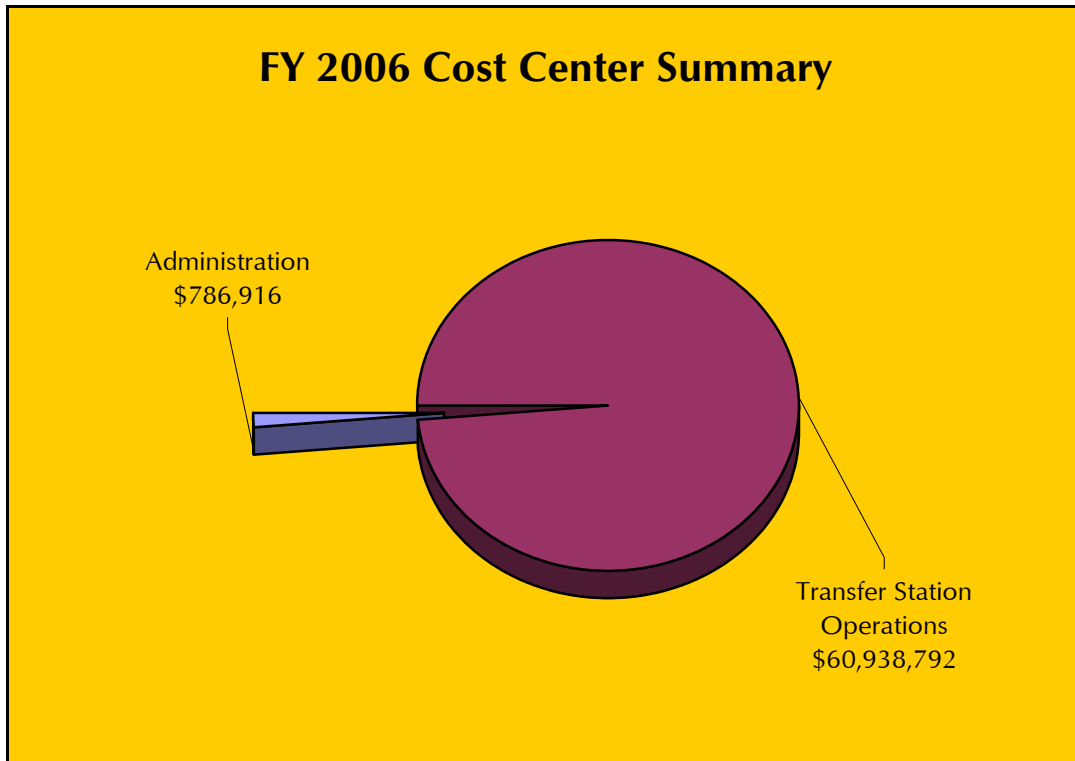
Budget and Staff Resources

| Agency Summary | | | | |
|----------------------------------|---------------------|-----------------------------------|-----------------------------------|--------------------------------------|
| Category | FY 2004 Actual | FY 2005 Adopted Budget Plan | FY 2005 Revised Budget Plan | FY 2006 Advertised Budget Plan |
| Authorized Positions/Staff Years | | | | |
| Regular | 137/ 137 | 137/ 137 | 137/ 137 | 137/ 137 |
| Expenditures: | | | | |
| Personnel Services | \$7,619,166 | \$8,300,432 | \$8,300,432 | \$8,704,274 |
| Operating Expenses | 40,999,121 | 44,619,405 | 44,619,405 | 50,964,150 |
| Capital Equipment | 2,258,924 | 1,375,000 | 1,414,000 | 2,581,000 |
| Capital Projects | 179,132 | 0 | 1,629,323 | 0 |
| Subtotal | \$51,056,343 | \$54,294,837 | \$55,963,160 | \$62,249,424 |
| Less: | | | | |
| Recovered Costs | (\$449,776) | (\$498,116) | (\$498,116) | (\$523,716) |
| Total Expenditures | \$50,606,567 | \$53,796,721 | \$55,465,044 | \$61,725,708 |

| Summary by Cost Center | | | | |
|-----------------------------|---------------------|-----------------------------------|-----------------------------------|--------------------------------------|
| Category | FY 2004 Actual | FY 2005 Adopted Budget Plan | FY 2005 Revised Budget Plan | FY 2006 Advertised Budget Plan |
| Administration | \$666,928 | \$748,223 | \$748,223 | \$786,916 |
| Transfer Station Operations | 49,760,507 | 53,048,498 | 53,087,498 | 60,938,792 |
| Subtotal | \$50,427,435 | \$53,796,721 | \$53,835,721 | \$61,725,708 |
| Capital Projects | \$179,132 | \$0 | \$1,629,323 | \$0 |
| Total Expenditures | \$50,606,567 | \$53,796,721 | \$55,465,044 | \$61,725,708 |

| Position Summary | | |
|--|---|-------------------------------|
| <u>Administration</u> | <u>Transfer Station Operations</u> | |
| 1 Director, DSWDRR | 1 Supervisor of Facilities Support | 1 Welder II |
| 1 Deputy Director/Engineer IV | 4 Assistant Refuse Superintendents | 16 Public Service Workers II |
| 1 Engineer II | 3 Heavy Equipment Supervisors | 1 Maintenance Trade Helper II |
| 1 Management Analyst III | 1 Management Analyst II | 1 Maintenance Trade Helper I |
| 1 Management Analyst II | 4 Engineering Technicians II | 1 Administrative Assistant II |
| 1 Network/Telecommunications Analyst II | 2 Engineering Technicians I | |
| 1 Accountant II | 3 Environmental Technicians II | |
| 1 Administrative Assistant IV | 8 Weighmasters | |
| 4 Administrative Assistants III | 74 Heavy Equipment Operators | |
| 1 Administrative Assistant II | 1 Motor Equipment Operator | |
| | 3 Laborers III | |
| <u>TOTAL POSITIONS</u> | | |
| 137 Positions / 137.0 Staff Years | | |

Fund 110 Refuse Disposal



FY 2006 Funding Adjustments

The following funding adjustments from the FY 2005 Revised Budget Plan are necessary to support the FY 2006 program:

- ◆ **Employee Compensation** **\$403,842**
An increase of \$403,842 in Personnel Services is associated with salary adjustments necessary to support the County's compensation program.
- ◆ **Tipping Fees** **\$5,131,101**
An increase of \$5,131,101 in Operating Expenses is associated primarily with a projected increase in tonnages and the tipping fees charged by Fund 112, E/RRF. Anticipated waste received in FY 2006 will be 1,291,313 tons, an increase of 108,982 tons over the FY 2005 estimate.
- ◆ **Contractual Requirements** **\$303,464**
An increase of \$303,464 in Operating Expenses is associated primarily with increased contractor costs for over-road waste transport, yard waste disposal and road repairs and maintenance at the I-66 complex.
- ◆ **Department of Vehicle Services Charges** **\$700,933**
An increase of \$700,933 in Operating Expenses is associated with increased internal service charges from the Department of Vehicles Services for fuel, motor pool charges and maintenance expenses.
- ◆ **Miscellaneous Operating Expenses** **\$209,247**
An increase of \$209,247 in Operating Expenses is primarily due to increased costs required for the support of recycling operations.

Fund 110 Refuse Disposal

◆ **Capital Projects** **(\$1,629,323)**

A decrease of \$1,629,323 in Capital Projects is due to the one-time carryover of unexpended project balances as part of the *FY 2004 Carryover Review* and the expected completion of existing projects in FY 2005.

◆ **Capital Equipment** **\$2,581,000**

Funding of \$2,581,000 has been included for Capital Equipment for the replacement of items that have outlived their useful lifespan. Of the funding for replacement items, \$1,056,000 is for three large rubber tire loaders, \$605,000 is for a tub-grinder, \$560,000 is for eight refuse trailers, \$250,000 is for one smaller rubber tire loader, and \$110,000 is for a road tractor. Purchase expenses will be partially offset by \$616,000 in revenue associated with sale of the equipment being replaced.

Changes to FY 2005 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2005 Revised Budget Plan since passage of the FY 2005 Adopted Budget Plan. Included are all adjustments made as part of the FY 2004 Carryover Review and all other approved changes through December 31, 2004:

◆ **Carryover Adjustments** **\$1,668,323**

As part of the *FY 2004 Carryover Review*, the Board of Supervisors approved unencumbered carryover of \$39,000 in Capital Equipment and \$1,629,323 of unexpended capital project balances.

Fund 110

Refuse Disposal

FUND STATEMENT

Fund Type G10, Special Revenue Funds

Fund 110, Refuse Disposal

| | FY 2004 Actual | FY 2005 Adopted Budget Plan | FY 2005 Revised Budget Plan | FY 2006 Advertised Budget Plan |
|-----------------------------------|---------------------|-----------------------------------|-----------------------------------|--------------------------------------|
| Beginning Balance | \$9,007,618 | \$4,881,813 | \$8,834,956 | \$5,507,748 |
| Revenue: | | | | |
| Interest on Investment | \$83,035 | \$60,175 | \$60,175 | \$94,668 |
| Refuse Disposal Revenue: | | | | |
| Private Collectors | \$30,496,060 | \$32,263,825 | \$31,888,228 | \$38,279,690 |
| Cities and Towns | 1,283,159 | 1,211,190 | 1,197,090 | 1,561,203 |
| County Collection | 2,407,211 | 3,025,269 | 2,990,051 | 2,524,842 |
| Treatment Plants | 136,218 | 129,500 | 129,500 | 132,732 |
| County Agency Routes | 412,218 | 412,921 | 408,114 | 467,075 |
| Other Agencies | 57,131 | 205,215 | 202,826 | 68,774 |
| SWRRC Program | 3,596 | 0 | 0 | 0 |
| Non-Fairfax County ¹ | 2,848,576 | 3,953,352 | 3,953,352 | 4,182,969 |
| Citizens' Disposal Facilities | 3,931,162 | 4,407,481 | 4,407,481 | 5,390,971 |
| Debris | 416,079 | 301,846 | 300,021 | 503,173 |
| Supplemental Market | 93,583 | 252,096 | 252,096 | 252,096 |
| Subtotal | \$42,084,993 | \$46,162,695 | \$45,728,759 | \$53,363,525 |
| Other Revenue: | | | | |
| Brush ² | \$2,683,448 | \$522,000 | \$522,000 | \$450,000 |
| Yard Waste | 2,064,816 | 1,782,940 | 1,762,184 | 2,027,964 |
| Tires | 751,478 | 703,168 | 703,168 | 703,168 |
| Subtotal | \$5,499,742 | \$3,008,108 | \$2,987,352 | \$3,181,132 |
| Miscellaneous Revenue: | | | | |
| White Goods | \$412,000 | \$246,810 | \$246,810 | \$412,000 |
| Sale of Equipment | 141,545 | 90,000 | 181,500 | 616,000 |
| Licensing Fees | 38,960 | 35,760 | 35,760 | 42,000 |
| Miscellaneous | 373,630 | 397,480 | 397,480 | 401,302 |
| Subtotal | \$966,135 | \$770,050 | \$861,550 | \$1,471,302 |
| Total Revenue | \$48,633,905 | \$50,001,028 | \$49,637,836 | \$58,110,627 |
| Transfers In: ³ | | | | |
| General Fund (001) | \$1,800,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 |
| Total Transfers In | \$1,800,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 |
| Total Available | \$59,441,523 | \$57,382,841 | \$60,972,792 | \$66,118,375 |
| Expenditures: | | | | |
| Personnel Services | \$7,619,166 | \$8,300,432 | \$8,300,432 | \$8,704,274 |
| Operating Expenses ⁴ | 40,999,121 | 44,619,405 | 44,619,405 | 50,964,150 |
| Capital Equipment | 2,258,924 | 1,375,000 | 1,414,000 | 2,581,000 |
| Recovered Costs | (449,776) | (498,116) | (498,116) | (523,716) |
| Capital Projects | 179,132 | 0 | 1,629,323 | 0 |
| Total Expenditures | \$50,606,567 | \$53,796,721 | \$55,465,044 | \$61,725,708 |
| Total Disbursements | \$50,606,567 | \$53,796,721 | \$55,465,044 | \$61,725,708 |
| Ending Balance⁵ | \$8,834,956 | \$3,586,120 | \$5,507,748 | \$4,392,667 |

Fund 110

Refuse Disposal

FUND STATEMENT

Fund Type G10, Special Revenue Funds

Fund 110, Refuse Disposal

| | FY 2004 Actual | FY 2005 Adopted Budget Plan | FY 2005 Revised Budget Plan | FY 2006 Advertised Budget Plan |
|------------------------------------|-------------------|-----------------------------------|-----------------------------------|--------------------------------------|
| Reserves: | | | | |
| Equipment Reserve ⁶ | \$1,948,822 | \$2,117,447 | \$1,843,713 | \$1,729,099 |
| Operating & Maintenance Reserve | 2,770,728 | 0 | 0 | 0 |
| Environmental Reserve ⁷ | 2,000,000 | 1,000,000 | 2,000,000 | 1,000,000 |
| Construction Reserve ⁸ | 2,080,003 | 422,613 | 1,622,272 | 1,639,230 |
| PC Replacement Reserve | 35,403 | 46,060 | 41,763 | 24,338 |
| Unreserved Balance | \$0 | \$0 | \$0 | \$0 |
| Disposal Rate/Ton | \$45.00 | \$48.00 | \$48.00 | \$48.00 |
| Disposal Rate/Ton ⁹ | \$39.95 | \$42.45 | \$42.45 | \$44.95 |

¹ In order to account for revenues in the proper fiscal year, an audit adjustment in the amount of \$830,541 has been reflected as a decrease to FY 2004 revenues to reflect the receivables balance related to the waste exchange agreement between the County and Prince William County. The audit adjustment has been included in the FY 2004 Comprehensive Annual Financial Report (CAFR). Details of the FY 2004 audit adjustment will be included in the FY 2005 Third Quarter Package.

² The effects of Hurricane Isabel created a surge in this revenue category. Federal aid of \$252,312 is included in this revenue category.

³ Cited amounts have been transferred in FY 2004, FY 2005, and FY 2006 to Fund 110 to cover the revenue shortfalls for operational requirements. Transfers provide a subsidy allowing the County to continue to provide the level of service to specific refuse disposal programs that do not fully recover costs. Subsidized programs include the County's Recycling Program, the Household Hazardous Waste Program, the Citizen Disposal Facilities and the Code Enforcement Program. The current fee structure for Fund 110 will not support these expenses in FY 2006. In FY 2006, a transfer from the General Fund will provide funding to maintain the competitiveness of the County's Solid Waste System in attracting and maintaining commercial waste, to provide for market fluctuations and maintain the current level of service to the disposal customers.

⁴ In order to account for expenditures in the proper fiscal year, an audit adjustment in the amount of \$9,454 has been reflected as an increase to FY 2004 expenditures to reflect the payables balance related to the waste exchange agreement between the County and Prince William County. The audit adjustment has been included in the FY 2004 Comprehensive Annual Financial Report (CAFR). Details of the FY 2004 audit adjustment will be included in the FY 2005 Third Quarter Package.

⁵ Ending balance increased in FY 2004 and subsequently increased the beginning balance in FY 2005 due to lower than anticipated expenditure requirements and higher than anticipated revenues.

⁶ The Equipment Replacement Reserve provides for the timely replacement of equipment required to operate the I-66 Transfer Station. Funds are transferred from Refuse Disposal revenue to the Equipment Replacement Reserve, as are proceeds from the sale of equipment. The reserve requirement is based on a replacement schedule, comprised of yearly payments to the reserve, which is based on the useful life of the vehicle/equipment. The yearly estimated reserve amount includes the annual portion of the replacement cost for new vehicles/equipment, and continued contributions for previously acquired vehicles/equipment for which the replacement requirement has not been met.

⁷ The Environmental Reserve provides contingency funds for future environmental control projects at the I-66 Transfer Station.

⁸ The Construction Reserve provides for improvements at the I-66 Transfer Station. Planned projects include redesign and reconstruction of the Citizens Disposal Facility and expansion of employee facilities.

⁹ In August 1998 (FY 1999), Fairfax County implemented a contractual rate discount that was offered to any hauler that guaranteed all of its collected refuse or a specified tonnage amount would be delivered to the Energy/Resource Recovery Facility (E/RRF) or other County disposal sites. The FY 2003 and FY 2004 discounted rate is \$39.95, and is \$42.45 in FY 2005. The rate is projected to be \$44.95 per ton in FY 2006 subject to market conditions and negotiations.

Fund 110

Refuse Disposal

FY 2006 Summary of Capital Projects

Fund: 110 Refuse Disposal

| Project # | Description | Total Project Estimate | FY 2004 Actual Expenditures | FY 2005 Revised Budget | FY 2006 Advertised Budget Plan |
|------------------|---------------------------------|---------------------------------------|--|---------------------------------------|---|
| 174002 | I-66 Transfer Station Expansion | \$13,464,900 | \$179,132.20 | \$925,063.37 | \$0 |
| 174003 | Drainage Downchutes | 188,000 | 0.00 | 3,821.39 | 0 |
| 174004 | Access Road Reconstruction | 233,600 | 0.00 | 193,785.00 | 0 |
| 174005 | Groundwater Well Installation | 177,213 | 0.00 | 40,788.24 | 0 |
| 174006 | Citizens Disposal Facility | 974,875 | 0.00 | 465,865.00 | 0 |
| Total | | \$15,038,588 | \$179,132.20 | \$1,629,323.00 | \$0 |